

WONDER FIBROMATS LIMITED

(FORMERLY KNOWN AS “WONDER FIBROMATS PRIVATE LIMITED”)

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Version 2.0)

I. PHILOSOPHY

Our company believes that Company grows within society and through society hence it is our duty to give back to the society in against what it has received from society and The CSR Policy of the Company focuses on addressing critical social, environmental and economic needs of the underprivileged and downtrodden sections of the society.

II. VISION STATEMENT AND OBJECTIVE

1. The CSR Policy sets out company’s commitment towards ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programmes geared towards social welfare activities or initiatives.
2. In alignment with the above vision, company, through the CSR Activities, will endeavour to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
3. This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.
4. The objective of this CSR Policy is to:
 - i. Outline projects, programs and activities to be undertaken by company;
 - ii. Specify the modalities of execution of such projects, programs and activities;
 - iii. Monitor the process to be followed for such projects, programs and activities;
 - iv. Take up programs that benefit the communities in and around its work place and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
 - v. Generate community goodwill for company and help reinforce a positive and socially responsible image, through our CSR Activities.

5. DEFINITIONS

- i. “**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. “**Administrative overheads**” means the expenses incurred for ‘general management and administration of CSR functions but shall not include expenses directly incurred for designing, implementation, monitoring, and evaluation of a particular CSR project or program.
- iii. “**Board**” means Board of Directors of the Company.
- iv. “**CSR Committee**” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- v. “**Net Profit**” means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act, but shall not include the following:
 - (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
- vi. “**Ongoing Project**” means a multi-year project undertaken by a company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

III. CSR COMMITTEE

1. The CSR Committee has been constituted in accordance with the provisions of the Act. The Company Secretary shall be the secretary to the Committee. The CSR Committee may invite other experts / invitees as per its requirements.

2. Role of CSR Committee is:

- a. To Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities, programs, areas or subjects (“CSR activities”) to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

- b. To recommend the amount of expenditure to be incurred on the specified activities in a financial year.
- c. To monitor and recommend any subsequent change/ modification to the CSR Policy to the board, in the Corporate Social Responsibility Policy of the company from time to time.
- d. To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities;
- e. To Formulate and recommend to the Board, an Annual Action Plan in pursuance of this Policy including;
 - the list of CSR Projects or Programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
 - manner of execution of above-mentioned projects or programs;
 - modalities of utilization of funds and implementation schedules for the projects or programs;
 - monitoring and reporting mechanism for the projects or programs and
 - the details of need and Impact Assessment, if any, for the projects undertaken by the Company.
- f. To recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- g. To Provide a responsibility statement in the Board's report.
- h. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

IV: Role of Board of Directors

- i. The Board of Directors shall, after considering the recommendations made by the CSR committee, approve the CSR policy and the Annual CSR Action Plan of the company.
- ii. The Board of Directors shall endeavor that the Company spends 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
- iii. The Board may extend a non-ongoing project beyond one year based on reasonable justification.

- iv. The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- v. The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.
- vi. The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- vii. In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- viii. The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
- ix. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- x. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - the Board of the Company shall pass a resolution to that effect.

V. CSR ACTIVITIES

(i) The Company shall undertake the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014, as amended from time to time which will fall in any one or more of the following areas /sectors for its CSR spending.

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
- f) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- g) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- h) Contribution to the Prime Minister's National relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- i) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- j) Rural development projects.
- k) slum area development.

Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- l) Disaster management, including relief, rehabilitation and reconstruction activities.
- m) Any other activity as may be notified by the Central Government from time to time.

ii) Following shall not be considered as CSR Activities:

- a. Activities undertaken in pursuance of the normal course of business of the Company.
- b. Activities undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national or international level.
- c. Contribution of any amount directly or indirectly to any political party.
- d. Activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019.
- e. Activities supported on sponsorship basis for deriving marketing benefits for its products or services.
- f. Activities carried out for fulfilment of any statutory obligations under any law in force in India.

VI. CSR EXPENDITURE AND ALLOCATION

In every Financial Year, the Company shall spend at least 2 (two) per cent of the average Net Profits of the Company (as calculated under section 198 of the Act) made during the three immediately preceding Financial Years, in pursuance of this Policy.

In case of average CSR obligation of Rupees Ten Crore or more in pursuance of sub-section 5 of Section 135 of the Act in the three immediately preceding financial years, impact assessment shall be undertaken through an independent agency of the CSR projects or programs having outlays of Rs. One Crore or more and which have been completed not less than one year before undertaking the impact study. In such case, the Company may book the expenditure towards CSR for that financial year which shall not exceed five percent of the total CSR expenditure for that financial year or Rs. 50 Lacs, whichever is less.

CSR amount may be spent for creation or acquisition of a capital asset to be held by (a) a company established under section 8 of the Act or a Registered Public Trust or Registered Society having charitable objects and CSR Registration Number; or (b) beneficiaries of the said CSR project in the form of self-help groups, collectives, entities; or (c) a public authority.

Any surplus arising out of the CSR activities shall not form part of the Business Profit of the Company and shall be ploughed back into the same project/program or transferred to the Unspent CSR Account and spent in pursuance of this Policy and Annual Action Plan of the Company or transfer such surplus amount to a fund specified in Schedule VII of the Act within a period of six months of the expiry of the Financial Year.

If the Company fails to spend the stipulated CSR amount, the Board shall, in its Annual Report on CSR, specify the reasons for not spending the amount. Further, any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the “Unspent Corporate Social Responsibility Account”. Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

VII. SELECTION, IMPLEMENTATION, MONITORING

CSR programmes will be undertaken at various locations i.e., Corporate office, units and other business places of the Company in India to the best possible extent within the defined ambit of the identified Project/ Program. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

Identification of projects / programmes at various locations will be done by means of the following:

- (a) Need identification Studies by the Senior Management/ professional institutions/agencies.
- (b) Internal need assessment by cross-functional team at the local level.
- (c) Receipt of proposals/requests from Charitable institutions and NGOs
- (d) Suggestions from the Board of Directors/senior management level.

The Board of the Company shall ensure that the CSR activities are undertaken by the Company itself or through -:

- a) a registered public trust or a registered society or a section 8 Company, registered under Section 12A and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with its holding or subsidiary or associate company of such other Company, or otherwise; or
- b) a registered trust or a registered society or a section 8 Company, established by the central or state government; or
- c) any entity established under an Act of Parliament or State legislature; or
- d) a registered public trust or a registered society or a section 8 Company, registered under Section 12A and 80G of the Income Tax Act, 1961, and having a track record of at least three years in undertaking similar activities.

Every entity covered under (a) to (d) as mentioned above, which intends to undertake CSR activity shall register itself with the Central Government by filing the form CSR-1

electronically with the Registrar and provide the unique CSR Registration Number to the company.

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee of the respective companies is in a position to report separately on such projects or programs.

The CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure except as provided under the Act from time to time.

The CSR Committee of the Company shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Compliance with this Policy / CSR activities / projects will be continuously monitored by the CSR Committee and the Policy is subject to review by the Board of Directors of the Company, supported by the CSR Committee, and the compliance will be reported to the stakeholders through the Board's Report.

VIII. REPORTING AND COMMUNICATION

The Board's Report of the Company covered under section 134(3) of the Act shall include an Annual Report on CSR containing particulars as per prescribed format. In case of applicability of impact assessment as detailed hereinabove, the said impact Assessment Report shall also form part of the Board's Report of the Company.

IX. GENERAL

1. If the Company feels the necessity of taking up new CSR activities or projects or programmes during the course of a year, which are in addition to the approved CSR Activities, the Board's approval of such additional CSR activities would be required for implementation of such activities/projects/programs.
2. In case the Company implements the CSR activities/projects as per the amendment in the Act and Rules made thereunder or directives of Ministries/Department of Govt. of India/State Government, the board approval of such CSR activities/projects/programs would be treated as amendment to the CSR policy.
3. The Board of Director may authorise Chairman and Managing Director (CMD) or Chief Financial Officer (CFO) of the company with the power to sanction/alter the funds earmarked for such activities.
4. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other project.

X. AMENDMENT

This Policy will supersede or override previous policy on Corporate Social Responsibility made in this regard.

Any or all provisions of CSR policy would be subject to revision/amendment in accordance with the guidelines/directions on the subject as may be issued by Govt. of India, from time to time and would also form an integral part of this policy as and when they become applicable and the policy may be considered to be amended to that effect as such.

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee.

----- *END OF POLICY* -----

Note-This policy has been approved by the Board of Directors of the Company at their meeting held on 29th June 2021 on the recommendations of Corporate Social Responsibility Committee on 29th June, 2021

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FIBROMATS LTD.